

**TIGARD WATER DISTRICT
BOARD of COMMISSIONERS**

Serving the Unincorporated Area

**Monday, June 26, 2006
7:00 p.m.**

Members Present: George Rhine, Janet Zeider, Beverly Froude, Marc Delphine
(arrived at 7:02 p.m.), Charles Radley (arrived at 7:11 p.m.)

Staff Present: Dennis Koellermeier, Michelle Wareing, Joy Koss

Visitors: Wynne Wakkila, Helen Honse, Kinton Fowler, Patti Fowler,
Lisa Hamilton-Treick

1. Call to Order, Roll Call and Introductions

Commissioner George Rhine called the meeting to order at 7:01 p.m. Commissioner Marc Delphine arrived at 7:02 p.m. and Commissioner Charles Radley arrived at 7:11 p.m.

2. Approval of Minutes – May 22, 2006

Commissioner Beverly Froude motioned to accept the minutes, Commissioner Janet Zeider seconded the motion, and the board voted unanimously to approve the minutes.

Skipped to **Agenda Item #4**

4. Budget Adoption Process for Fiscal Year 2006-07

- Public Hearing – A public hearing was opened by Commissioner Rhine for the Budget Adoption Process for fiscal year 2006-07. A request for public comment was made. Wynne Wakkila asked if there was money in this budget to purchase real property. Commissioner Rhine responded there was not money in the budget to purchase real property. Public hearing was closed.
- Adopt Budget – Commissioner Delphine inquired about the \$600 budgeted for Travel Food Lodging. Commissioner Rhine clarified those dollars were allocated for the SDAO Conference. Michelle Wareing read Resolution No. 06-01, adopting the budget for fiscal year 2006-07 for a total of \$118,836.00.
- Resolution No. 06-01 – Commissioner Zeider made a motion to approve and adopt the budget for 2006-07, Commissioner Froude seconded the motion and the board voted unanimously to approve the resolution.

Returned to **Agenda Item #3**

3. Visitor Comments

Kinton Fowler - 16170 SW Hazeltine Lane, unincorporated area of Bull Mountain

Mr. Fowler attended a meeting with City of Tigard on the 20th where they discussed the feasibility study and mentioned a couple of properties in the unincorporated area that are Tigard Water District properties (reservoir at High Tor Drive and a small property on 150th). He got the indication that they may be in negotiations or planning negotiations with the Tigard Water District to either sell or transfer those properties to the City of Tigard. He would like to speak for the people of the unincorporated area that are working on this corporation process and ask, respectively, that the Tigard Water District table any kind of transfer of property of the unincorporated area until it is determined whether or not there will be a City of Bull Mountain. Mr. Fowler reported that August 9th is the last date that the Washington County Commissioners can put an initiative on the November ballot to incorporate the City of Bull Mountain.

Lisa Hamilton-Treick - 13565 SW Beef Bend Road, unincorporated area of Bull Mountain

Ms. Hamilton-Treick, speaking on behalf of the Friends of Bull Mountain, presented an original letter dated June 25, 2006, to Dennis Koellermeier and copies to the Board of Commissioners. The letter was addressed to the Intergovernmental Water Board (IWB) and Tigard Water District (TWD) with copies to the Washington County Board of Commissioners, Larry Derr, Clark Balfour, Oregon Special Districts Association and State Representative Jerry Krummel. The essence of the letter is that the Friends of Bull Mountain have been made aware that there appear to be some proposed land transactions or asset transfers in the works and they ask that any transaction now under way be suspended pending the election.

Additionally, Ms. Hamilton-Treick commented there has been a significant change of circumstance in regards to the Tigard Water District and the future of unincorporated Bull Mountain since agreements were prepared by the City of Tigard back in 1993. No one anticipated that the City of Bull Mountain would now be placing an incorporation proposal on the ballot. When Ms. Hamilton-Treick started to make reference to plans to bring all of Bull Mountain into the City of Tigard's city limits and eventually dissolve the district, Commissioner Rhine clarified that the district would not be dissolved because the district represents the unincorporated part of Washington County served by the Tigard Water system. Whether Bull Mountain goes into Tigard or forms the City of Bull Mountain, there is still a portion of the county the TWD would serve. Although the constituency would probably change, this board would continue to exist.

Ms. Hamilton-Treick had additional concerns and questions about assets and Commissioner Rhine replied that there has been nothing before this board about transfer of assets. If that were to occur, then it could generate an Executive Session. Ms. Hamilton-Treick asked that Clark Balfour be present at that meeting if that occurred.

A discussion continued about two parcels of land on High Tor in the unincorporated boundary area and pledged to the City of Tigard and a parcel on 150th. It was her understanding, according to Mr. Balfour's analysis of the situation that, should they incorporate as a city, the assets in their future boundary area would become the assets of the City of Bull Mountain if the water district was dissolved. Just like the assets that are in the City of Tigard's boundary, those would likely become assets of the City of Tigard if the district dissolves. Commissioner Rhine confirmed that the properties are deeded to the Tigard Water District and pledged to the Tigard Water system as long as they are needed.

Ms. Hamilton-Treick asked that the Tigard Water District commissioners receive a copy of the June 20th Tigard City Council transcript. Commissioner Rhine clarified that she could not request that, but he could and asked Mr. Koellermeier to provide those for the board.

Helen Honse - 14640 SW 141st Avenue, unincorporated area of Bull Mountain

Ms. Honse asked if the board would be open to taking more visitor comments after Agenda Item #9. Commissioner Rhine responded that the board would accept more comment. Also, Ms. Honse had concerns about maintaining the integrity of the proposed boundary area up through the forum where the voters have a chance to vote and appealed to the board as representatives of the unincorporated area to observe and maintain that should that become an issue.

Wynne Wakkila - Ms. Wakkila asked if the IWB would actually own the land. Commissioner Radley responded that was not a simple question and referenced the letter Clark Balfour submitted that provided detailed analysis of the laws and ownership. Commissioner Froude commented that the Intergovernmental Water Board is the final arbiter as far as voting and Tigard Water District is just one part of that.

5. Update on Bylaws and Bylaw Modifications

No update on Bylaws and Bylaw Modifications at this time.

**6. Water Supply Update
and**

7. IWB Update – Dennis Koellermeier

Summer Peaking - Mr. Koellermeier reported that it has been an interesting year from a supply standpoint because the hot weather was three weeks earlier than normal. The system did a very good job meeting peaks on weekends. On Sunday the system used 12.5 mg of water, which only brought storage down to about 90 percent. Today's usage should be about the same. The peak numbers are not as high as expected. The whole metropolitan region is seeing conservation messages kick in, because some places are shaving 10 percent off historical peaks of water usage.

Portland Contract - Tigard signed a 10-year water supply contract with the City of Portland effective July 1st that provides about 60 percent of Tigard's supply. This contract gives the ability to buy interruptible water (non-contract water) at a lower cost. Tigard can buy extremely inexpensive water when it is available in the winter to load the ASR wells, which makes the ASR system more economically viable. Agencies on the westside (except West Slope Water District) opted to take the 10-year contract and those on the eastside took the 20-year contract.

Joint Water Commission (JWC) – Tigard is still working through the process of the environmental impact statement for the Henry Hagg Lake Dam Raise project. Tigard started taking water last week from the JWC.

Lake Oswego – Tigard is currently taking water from Lake Oswego and the kick-off meeting for the joint supply study with Lake Oswego is June 27th. Tentative reports will probably be available on that feasibility in October.

Willamette River - There has been no activity on the Willamette River Water Coalition. The process of renewing or extending water rights, which was made very clear by the legislature, has

been muddled by the interpretation of various state agencies that are involved. The Water Resource Department is at a point where they will have to make a decision. The Willamette River Water Coalition has elected to put an administrative hold on the process so it is not decided under the current set of rules, go back to the legislature to clarify a few issues, and then take the issue up again next year.

8. Update on Water Related Educational Information – Marc Delphine

Mr. Koellermeier indicated he had been in contact with the contractor and provided information sources to keep the project moving. He then referred to another project where the City of Tigard has the opportunity to use the Tualatin Valley TV studios to produce programming where he has reserved some of Tigard's programming capacity. A video project has begun about water for the Tigard service area, the choices, and the decisions that are coming up, etc. The same data sources link these two projects together and, hopefully, the board will agree that the two projects will grow together. Both projects tell the same message; one in print form and the other in video form. Putting this together is probably a 60-day process. Mr. Koellermeier indicated the data source, scripts, etc., used to develop the video will be shared with the print media people scheduled by Commissioner Delphine. He also indicated the City of Tigard may not create a website of its own, but refer people to a series of websites by providing a link.

9. Board Comments on Bull Mountain Economic Feasibility Study

Mr. Koellermeier offered an introduction to this topic and made suggestions to the board as follows:

- The board is clearly an interested party in this potential proceeding.
- Staff thought it appropriate to have an agenda item and the materials that are available for a discussion on this item if desired.
- The range of actions as a board is very broad: TWD could accept the report, take position on the proposed formation of a new city and convey that action to the Board of County Commissioners, or TWD could take no action.
- Mr. Koellermeier stated his goal was to provide the board with information and share questions he is aware of that pertain to water.
- He was prepared to answer questions and indicated the audience would be a good source of information if the board had questions.

Commissioner Rhine thought a discussion should take place. He remarked that if a position were to be taken, it should be taken at the IWB level. Commissioner Froude responded the IWB is only as strong as each individual city, so the IWB would be the final arbiter. Commissioner Rhine said the IWB, representing Tigard Water Service area (Tigard, Durham, King City and Tigard Water District) ought to discuss whether they plan to modify or not modify the charter if a new city is formed. Commissioner Radley suggested that the TWD recommend putting that issue on the IWB agenda in the near future. Commissioner Rhine indicated that was a fine position for the board to take.

Discussion continued about water related issues and statements made in Clark Balfour's letter as they may pertain to the IWB. Mr. Koellermeier clarified that the IWB is simply an ORS 190 organization, which is very common, and creates its own charter. Mr. Koellermeier said that because the proposed boundaries of the new city do not encompass the entire water district, the ORS law that addresses that issue does not apply. A remnant of the water district would be left and it would have to be determined at that point whether it is an economical, viable organization.

Mr. Koellermeier pointed out two issues from the water perspective. First, the clause in the IWB formation ordinance stating the City of Tigard is under no obligation to serve water to areas that would come into the Tigard Water District after the formation of the IWB. Secondly, the proposed density as laid out in the economic feasibility study is 20 percent denser than what was assumed for the same property when the water master plan was done. That is not fatal, but all parties are treated equally in the IWB. From the aspect of capital planning and expenditure, the IWB is bound to the boundaries of the various jurisdictions. If the new city comes in and needs additional capital, which it will if they are going to put in 20 percent more people than anticipated, there will be an unequal situation and the IWB will have to determine if they are willing, through water rates, to subsidize the growth in that area for higher density. The IWB may come back and say the area within this higher density is going to have to come up with an additional share of the cost of developing those improvements. Those are the issues staff thinks this board will have to resolve regarding its relationship with the potential new city and the IWB.

Commissioner Radley commented that while the density may be higher, it was his understanding that a large part of area 63 and 64 would be set aside for parks and would not be developed. The actual number of water customers might be less than originally projected.

Mr. Koellermeier stated areas 63 and 64 were considered in the master planning effort of 2000. There was a density assumed for those properties. The system capacity to serve those areas at a given density is incorporated into the master plan, as well as the sizing of capital improvements since 2000. There is also language in the agreement that Tigard is under no obligation to serve those areas for the life of the IWB, which is at least until 2018 unless it is renegotiated before then.

Ms. Hamilton-Treick commented that parks, commercial, industrial, 25% slopes, sensitive land and wetlands are not included in the net buildable acres. She continued to express her concerns about having water provided to the area. Ms. Hamilton-Treick stated the Metropolitan Housing Rule is what determined the density for 63 and 64 resulting in a projection of about 600 more households. The new City of Bull Mountain does not have to provide for super-sizing the density. It is possible the density could end up less than it would have been in the City of Tigard.

Commissioner Rhine asked Commissioner Zeider if she had any comments. Commissioner Zeider commented that she was really impressed with the economic feasibility study and felt water was the only issue the board would have anything to do with. Commissioners Froude and Delphine had no comment.

10. Non-Agenda Items

Commissioner Delphine commented that he would like food and water provided for the meetings. There was a brief discussion about the refreshments offered to the board and guests. Mr. Koellermeier indicated water would be provided for future meetings.

11. Executive Session – Real Property Transactions

Commissioner Rhine asked Mr. Koellermeier to explain more in the public meeting the reason why the board would need to go into Executive Session. Executive Session does not give the right to make any decisions, only hear comments by Oregon law. The TWD cannot make a determination on what to do because that has to be done in a public session. There are topics that are germane to hold in Executive Session, which means the public is not included and those issues are listed in the italicized section at the bottom of the Agenda.

Mr. Koellermeier commented that he made a presentation to the IWB at their last meeting on this same issue regarding property and a Tigard Water District board member at that meeting asked him to bring the same issue before this board. This does not include this board taking action to purchase a piece of property, which would be an action of the IWB.

The Commissioners discussed the reasons for going into Executive Session and Commissioner Rhine told the guests, who expressed their concerns about the board going into Executive Session, that the board would call Mr. Balfour when and if it was appropriate. Commissioner Rhine then announced they will go into Executive Session and proceeded to read the notation pertaining to Executive Session provisions of ORS 192.660.

The Tigard Water District Board of Commissioners went into Executive Session at 8:31 p.m. and ended at 8:50 p.m. At 8:53 p.m. the TWD meeting reconvened.

12. Set next meeting date – July 24, 2006, at 7:00 p.m.

13. Adjournment

Commissioner Delphine motioned to adjourn, Commissioner Froude seconded the motion, and the meeting unanimously adjourned at 8:53 p.m.



Joy Koss, TWD Recording Secretary

Date: _____